

P A R T I

Talk About Convincing:
SALESMEN

William Wrigley Jr. considered the matter carefully and couldn't name even one person in business who wasn't ultimately in sales. At any level and in any industry, sales is the word behind business. It is also the word behind growth.

"I've never recognized any elevation above that of salesman," boasted Thomas Watson, IBM's first president.

The men in this section—Watson, Wrigley, and steelmaker Andrew Carnegie—were veritable strongmen of sales. Not many people ever started out lower in business: two door-to-door salesmen and a bobbin boy. Of course, few ever ended up higher, and each knew firsthand the catalog of problems that could arise from within or without to test a person in the business of sales. That is to say, to test a person in business. Flashes of brilliance don't contribute in the long run. Sales is an attitude made up of details that beg to be overlooked, of habits that seem so forgiving.

All of the men in this chapter were engaged in selling every hour of the business day. So is everybody, as a matter of fact. The only difference is that some people don't forget it.



Thomas Watson Sr. welcomes IBM salesmen to a company convention in 1924. Watson was a familiar figure to most IBM employees, and knew a remarkable number of them by name.

Thomas J. Watson Sr.

1874–1956

Thomas Watson Sr. was not the founder of International Business Machines, but he was in every sense the spirit behind it. In 1914 Watson took charge of the faltering conglomerate of manufacturing companies and presided over it until 1956. By then, IBM was among the nation's ten largest manufacturers, poised to lead the business world into the computer age. Though Watson was not technically oriented, he guided IBM into an overwhelming dominance of the field of data processing. The company's ultimate sales manager, he emphasized education and results, turning his ever expanding staff into a sales engine for IBM. One of the most famous businessmen of his time, Thomas Watson was a hard-driving man whose grandest ambitions were realized on the corporate level; yet he never lost an overt sense of respect for each individual employee. In Watson's eyes, IBM was a family—an old-fashioned attitude that somehow suited the ultra-modern company.

Every summer, the National Cash Register Company hosted a celebration of its top salesmen called the Hundred Point Club Convention, named for the fact that every invited guest had completely filled his annual quota. It was a week off from work to talk about how exciting it was to work—at NCR. At the culmination of the 1913 convention, an assistant sales manager named R.H. Grant delivered a typical speech for the Hundred Pointers. It was followed by a truly rousing speech by the company's popular sales manager, Thomas J. Watson, who concluded to a burst of noisy applause from the salesmen in the audience. Before the applause could even crest, though, the president of the company, John Patterson, hurried to the podium and quieted the audience. He wanted to use that moment to say how very much he had enjoyed the speech made by R.H. Grant. But Grant had spoken before Watson: For the audience, it seemed a quirky oversight, a bit of confusion. To those onstage, though, there was no confusion, only shock. Patterson had just let Thomas Watson know that his career at NCR was at a close.

At forty, Watson had been working at NCR for eighteen years. His attachment to the company had an almost Dickensian cast: NCR had picked him up when he was a veritable orphan of business and he had proved himself deserving of every opportunity offered, every chance to learn from the company and improve himself toward its model. He knew the company could be cruel, but that fact had never scared him—until the end of his speech at the Hundred Point Convention in 1913.

Before arriving at NCR, Thomas Watson had made his start in sales by peddling pianos door-to-door in the farm dis-

trict near his hometown of Painted Post, New York, where his father was a lumber dealer. As a young man, Watson was both honest and industrious, two qualities he felt sure would bring him a fortune as a salesman. After a series of setbacks, however, he began to realize that there was even more to it.

While returning a cash register left over from yet another failed business—a butcher shop—Watson managed to talk himself into a job at NCR's Buffalo sales office. He soon talked like an NCR man, he thought like one, he dressed like one, and what is more, he succeeded as one. At twenty-eight, he was named to an executive post at the home office in Dayton, Ohio. John Patterson rewarded Watson's loyalty with a swank Pierce-Arrow car and, later on, with the use of a house adjacent to his own.

But Patterson, for all his brilliance, was like some mythological creature who gave life to heroes only to destroy them when they grew to equal him. He nurtured a strong roster of executives through the years, and clashed with any who became too powerful or charismatic. Those who did either were cut or left under fire. As sales manager at NCR, Thomas Watson did an excellent job. That ought to have worried him.

Early in 1913, twenty-two NCR executives had been found guilty of violating the Sherman Antitrust Act. Both Patterson and Watson were among them, each facing a sentence of one year in jail.

Eventually Patterson welcomed a deal by which sentences would be waived for those executives admitting culpability. All but three joined him in signing; one of those who refused was Thomas J. Watson. Maintaining that he had done nothing wrong, he chose to pursue an appeal, with the specter of jail time if he lost. Such bravado did not please John Patterson.

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On one occasion, Patterson fired an executive by sending him out on an errand: When the man drove back up to the building, he noticed that his desk and chair were on the front lawn. On cue, the desk burst into flames. The man simply drove away. In Watson's case, Patterson was openly insulting in the months following the Hundred Point Convention in June 1913, and then in November, he came right out and demanded a letter of resignation. Watson was no longer an NCR man. At forty, the most vivid possibility in his future was jail time.

For months, Watson did not work at all. The authors of a 1960 biography simplified the crucial juncture almost to the point of unintended pathos: "Other than a vision of greatness, Watson had no concept of what he wanted to do." The same could be said of many job seekers, but Watson had far better credentials than most. He still believed in Patterson's sales methods—but believed he could better them. He still believed in John Patterson, too, but was ready to outgrow his former mentor, however unwillingly at first.

Thomas Watson was lanky in build. Disdaining sports of any kind, he carried himself with more dignity than vigor, remaining unmussed whatever the conditions and however long the day. His face could be severe, his thin features and small, dark eyes bearing down sharply. In fact, he had an engaging personality, not necessarily through humor, which colored his outlook only faintly, but through his very earnestness. His seminal traits—temper and warmth—might have come from the opposite ends of some personalities, but not in such an earnest man. Often compared to a minister or a deacon, he consistently exuded the impression that he cared. He cared about his work, he cared about his workers as individu-

als, he cared about the whole world. The job Watson needed was one that required a management executive with the instincts of a mother dog.

Charles Flint, the financier who credited himself with inventing the conglomerate, had patched four vaguely related businesses into the Computing-Tabulating-Recording Co. (C-T-R) in 1911. Three years later, the company was foundering, barely able to carry its own massive debt. After a three-day interview, Flint hired Watson to lead C-T-R, overcoming the objections of at least one board member who inquired testily as to who would run the company while Watson was in jail. Watson had his opportunity, though a wobbly one: The job agreement contained the humbling provision that he could not officially become president until his criminal charges were settled. Only months before, he had been second in command at the one of the nation's champion companies.

C-T-R made a pale comparison. It was small and obscure, a pile of jagged shards getting along neither within themselves nor among themselves. The similarity between it and NCR lay in the product lines. Each were pioneers in commercial control: NCR registered sales. C-T-R registered time (International Time Recording Co. and Bundy Manufacturing), bulk inventory (Computing Scale Co.), and information (Tabulating Machine Co.). The tabulating machine sorted punched cards that stored data and kept track of that data at the same time. Punch clocks may have been of intimate interest to Watson, a man who devoted hours to contemplating the word *minute*, but the tabulator was the most potent of all the company's products. It didn't count minutes, but saved them, and Watson knew from his contemplations that in his age, in any age, saving time is where the money is. One of Watson's long-

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term missions would be to fit tabulating machines into ever smaller businesses.

As the nominal president of C-T-R, however, Watson did not fit into his own company very well at first. For a year, he served the strange sentence meted out by his antitrust case: a presidency paled by uncertainty regarding his future. Finally, in May of 1915, Watson received a telegram saying that his guilty verdict had been set aside. Within days, he was named president, fully and officially.

Upon arriving at C-T-R, Watson had been expected to duplicate NCR's approach, and he did, especially in basic sales methods and in his cultivation of international operations, an emphasis that resulted in the company's 1924 name change to International Business Machines. As at NCR, employees were expected to enhance the company's reputation by leading respectable lives. Watson viewed himself and every other employee as ambassadors for IBM, not merely during work hours but all the time. Conservative dress became symbolic of the company's prescribed image: Even machine oilers at the main factory in Endicott, New York, felt compelled to wear white shirts and ties to work, changing into overalls only within the building. Watson also expected IBM employees to marry well, live in good neighborhoods, drive late-model cars, contribute to their communities, attend church, and conduct themselves soberly at all times. In fact, drinking was prohibited on company time and smoking was banned in most company offices.

Most employees responded to the policies the way Watson had responded to NCR: They were glad to belong to an organization they considered worth belonging to. At its worst, however, Watson's imitation of NCR's uniform image resulted in a

prejudice against hiring salesmen, in particular, of differing ethnic backgrounds.

As Watson shaped his new company, pulling it together and pushing it forward, he reverted to his own basic instincts, those of an upstate piano salesman who was honest and industrious—callow, but determined to learn. Watson created an educational complex underscored by his own edict: Serve, don't just sell. Watson's attitude was that IBM should have the better product and the better sales technique: if it did not, then the other company deserved the sale. That didn't happen often: Throughout most of its history, IBM controlled on average eighty-eight percent of the market for punch card tabulators.

Singed, and almost consumed, by Patterson's heedless emphasis on growth, Watson created IBM as an equally aggressive company, but one with a sense of perspective about success. He wanted it to be decent, at a time when many companies were rapacious. Executives and salesmen were encouraged to believe that the company would not let them down or lay them off.

If Watson's response to prosperity was expansion, his response to adversity was expansion on an even grander scale. In the worst days of the Great Depression, when IBM's sales drooped, Watson didn't fire salesmen—he hired them, by the hundreds. "You know," he said at the age of fifty-eight to a businessman who mocked his response to the downturn, "when a man gets about my age, he always does something foolish. Now some men run to playing poker and others to horse races, some to ladies and one thing and another. My hobby is hiring salesmen."

During World War II, Thomas Watson's support was instrumental in creating one of the first practical computers,

the Mark I, a navy project developed in partnership with Harvard University. After the war, though, Watson regarded the computer as nothing more than an interesting but impractical and unremunerative advancement on the tabulator. His son, Thomas Jr., proved more visionary. As the only junior executive who could—occasionally—win an argument with Thomas Sr., he was responsible for IBM's slightly delayed entry into the commercial development of the computer in 1948. Blunt-spoken and amazingly clear-sighted, Thomas Jr. would lead IBM through its greatest era of growth from 1952 through his gradual retirement in the early 1970s. Even more impatient than his father, "Young Tom" succeeded as a manager because he was as honest about his own limitations as he was about everyone else's. Thomas Sr. was no less successful, yet he could not quite see limitations. Or at least he kept his eyes from looking.

Advancing IBM's growth through the 1950s, Thomas Watson Sr. expanded into a public figure, almost a statue of American enterprise, with a marblelike polish. Early in his rise as a public figure, he became known for his liberal outlook, as one of the few industrialists to wholeheartedly support Franklin Roosevelt and his New Deal business controls. Watson also worked intensively for world peace.

As it turned out, IBM benefited magnificently from Roosevelt's New Deal, receiving the contract to supply data processing equipment for the newly formed Social Security Bureau in 1935. As for world peace, it was—if nothing else—noticeably profitable for IBM, a company with operations in seventy-nine countries by 1940. But those are cynical attitudes. Had Thomas Watson Sr. been a cynical man, he would have

pleaded guilty in 1913 to something he believed he did not do. But then, IBM would not have existed at all if Thomas Watson had been a cynical man.

In the words that follow, Thomas J. Watson Sr. comes through with some of the gusto he must have imparted at his favorite events, IBM conventions and sales meetings. The points he makes spark individual potential without compressing anyone into a set pattern. Watson knew how to be an employee—he'd dealt with his own share of difficult bosses—and he knew how to be a boss as well, but what he mostly liked to speak about was salesmanship. He credits enthusiasm as the most important asset in sales, and shows how to cultivate it step by step. One step in the process became Watson's most famous dictum of all: "Think."

I N T H E W O R D S O F

Thomas J. Watson Sr.



P e r s p e c t i v e

In any job, there are two things to learn: first, the routine methods to be gone through; and second, the reason for it all. Many men fail, because they never learned the mechanics of their work properly. But a greater proportion fail because they never truly find out what their jobs are all about, and how their day's work ties in with the big plan of what their company is trying to do.

C h a r a c t e r

Character should never be confused with reputation. It is not a matter of externals.

L e a d e r s h i p

The farther we keep away from the “boss” proposition—of being the “boss” of the men under us—the more successful we are going to be. If a man cannot be a real assistant and furnish assistance to the men under him he has no business being over men at all. That is not one of our problems [at IBM], but it does exist in many places throughout the country, where a man, because of his impressive title, assumes the attitude of a “boss” and tells people what to do, instead of helping them to do it.



Really successful men are pushed up, not pulled up.

G o a l s

Whatever is the best thing for the business is the best thing for the men in it. Let us keep that in mind—what is the best thing for the business is the best thing for everybody in it.

O u t l o o k

[In 1932, when Watson was fifty-eight, he made a differentiation between actual age in business and heart-age.]

When we reach forty years of age, we find seventy-two percent of all people younger than we are. It doesn't make any difference how many here tonight are over forty. We won't discuss that in detail, but I want to leave this thought—that we cannot afford to let our hearts get more than forty years old if we are

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going to contribute anything to this civilization, because we have to be in a position to make contacts and make those contacts count with that seventy-two percent of the world's population which is under forty.

M a n a g e m e n t

My duty is not the building of this business; it is, rather, the building of the organization. The organization builds the business.



It does not take executive ability to discharge a man, but it does take it to develop men.

M o t i v a t i o n — E n t h u s i a s m

[In 1915, one year after Thomas Watson joined C-T-R, he made a speech at one of the company's divisions, International Time Recording Co. (ITR). Watson's talk was typical of his motivational style, and is quoted at length.]

It is easy to say "Work," to a man, but you must give him something besides that. There is something which makes a man want to work. It is enthusiasm. You never saw a lazy man in your life who was enthusiastic. You never saw an enthusiastic man who was lazy. If we have enthusiasm, we want to work. As we are talking about success, let us apply it to the ITR business; if we work we know we shall be successful. We know that if we have the enthusiasm, we shall want to work, and that will make us successful.

What is it that gives us enthusiasm? It is not something that you can go out and buy. It is not a condition that just happens to you as you go through life. We have to do something to create enthusiasm within ourselves, that will make us want to work. There is only one thing on earth which will do it and that is knowledge. Knowledge creates enthusiasm. It is the only thing that will. Why are some of you here enthusiastic about baseball? Because you have a knowledge of the game. You played baseball when you were boys in school and you know everything about the scores, the errors and all the rest. There are times when you would walk miles to a good baseball game and sit out in the hot sun and yell yourselves hoarse. You know whether the players are doing it right or not. You have enthusiasm. . . . The same thing applies to business. If we have a knowledge of this business and apply it, we will then have the proper amount of enthusiasm; we will do the proper amount of work to make us all successful.

M o t i v a t i o n — K n o w l e d g e

[Watson explained in his speech how to acquire the type of knowledge that leads to enthusiasm.]

How are we going to get that knowledge? There is only one way—through study. That is the only way we can get knowledge. Right there is where most of us fall down. We say to you, “Study.” Yes, study and get the knowledge that will give you enthusiasm which, in turn, will cause you to work and be successful.

First, we must study by reading, then by listening, discussing, observing and thinking. We must study in those five ways. When we read we must always keep in mind that we are not reading just to get to the conclusion of the writer, because if we do that we are

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just getting one man's view. We must read and keep in mind the fact that we are reading to stimulate our own thoughts; we should take the points and the ideas and the suggestions that we get from this reading and apply them in our own way and in our own work.

Listening is one of the best ways in the world to learn. Sometimes we don't take time to listen to the other fellow. That sometimes applies to the man when he is a supervisor. His manager is trying to tell him something, but he doesn't listen, he doesn't have his mind open. Sometimes you reverse that. Sometimes the man up above does not take the time to listen to other men, the men below him. Then he often loses a whole lot of knowledge and misses one of the greatest opportunities to study. We must therefore listen to each other . . .

Discussion is one of the greatest mediums in the world by which people learn and that is why we are all here this morning. . . .

Observation. We can always study through observation and to the salesman, perhaps, that applies more than to anybody else, because as you go about in your daily work calling on the different institutions you are studying by observation. You may not have analyzed it just like this, but you have been doing it just the same.

M o t i v a t i o n — T h i n k i n g

[*Watson went on to explain what was, perhaps, his favorite theme.*]

But thinking is the most important point of the whole proposition. Think! Sometimes we read and listen and discuss and observe and then we don't take the time to sit down and think it all over and arrive at a proper conclusion that is our

own. Anything that is our own is strong to us. If a man has a strong selling point, if it is strong in his heart and he believes it, when he passes that to me, it is strong to me. I might try to take the same idea and put it up in the man's own way and it wouldn't be effective at all, because a part of its strength would be the personality that originally went with it. We must all take time to do enough thinking to formulate our own conclusions.



[Thomas Watson traveled tirelessly to spend time in IBM offices throughout North America and Europe, speaking with employees informally or in the banquet atmosphere so familiar within the company culture. Even as an elderly man, he maintained the rigorous schedule, often visiting two or three different offices a day for weeks on end. His own unceasing motivation obviously had a great deal to do with enthusiasm, as was revealed in an impromptu remark he made at the end of speech in 1929.]

I am sorry I cannot talk to you all day. The IBM means so much to me that I could stay here for twenty-four hours and talk about it.

I n n o v a t i o n

[Watson expected every employee to stay alert for chances to help the company.]

When you get suggestions, as you must, from the manufacturers and the merchants with whom you come in contact, and they say, "If you had a Time Recorder that would do so-and-so—," and the idea sounds absolutely ridiculous and foolish to you, make a note of it and send it to the factory. Let our

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talented inventors decide whether it is impossible or not. That is their business. That is why we keep them here, and we are willing to keep twice as many as we have here now; if you will furnish the thoughts, we will let them work out the ideas. We must progress and we can't do it in any other way.

T i m e M a n a g e m e n t

You carefully count and check your dollars, but do you count and check with equal seriousness that indispensable possession that is so necessary for the acquisition of dollars—time?

After a clock has ticked off sixty seconds a minute is gone, never to be brought back. It is impossible for us to put forth extra effort and make up for the loss of that minute. We have all said to ourselves, after realizing that we have wasted a certain number of minutes, hours, days or months, perhaps, that we will brace up and “pull ourselves together.” We say we are going to make up for lost time. When you say that you are simply fooling yourself, for such a thing cannot be done.



Check up each day the amount of time you spend in your prospects' stores or with merchants in your office. It is the length of time you stand up in front of a retail merchant who needs a scale, talking and demonstrating scales to him, that constitutes your work . . .

Keep check on yourself by jotting in a little memorandum book the actual time you spend talking scales. At the end of the first week you probably would say to yourself that you are ashamed of the record, of the small number of hours actually

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put in in the sort of work that earns commissions. Soon you will double your efforts and your income will grow accordingly.

That doesn't mean you will be working harder—only more systematically. It means you will have learned how to organize yourself.

I n v e s t i n g

I suggest that you pick out five successful companies with good earnings. See what each of them has been doing in the way of building up its business and building up its earning power during the past seven years. Then make up your mind that just as soon as you can get money enough you are going to buy shares of stock in one of those companies. Then add to this as you can, keep on buying in one or more or all five of those companies, and say to yourself that you are not going to sell those shares when their value increases.

Do not be tempted to sell out and take a profit as long as the company in which you have invested your money is increasing its earnings.

D i l i g e n c e

I don't want any of you to go away feeling that we are urging you to work too hard. We do not advocate that. We simply want you to use good judgment. We don't want any man to do anything in the interest of this company that would in any way interfere with his health or comfort or personal privileges. We simply ask for an honest effort.

E f f i c i e n c y

[*At IBM, Watson banned smoking and drinking on company time, and he often made mention of the connection between healthy habits and job performance.*]

Whether we are trying to increase our efficiency in selling or along any other line, one of the most important things we have to consider is our health. And in this consideration we have five essentials to remember: Fresh Air; Exercise; Sleep; Food; Drink.

T a k i n g O r d e r s

I can recall many times when I resented supervision from my superior officers. That cost me money. It will cost any man money. A good thought for anybody who is being supervised to bear in mind is that the man who cannot accept supervision profitably will never find himself in a position to supervise others. None of us can escape supervision. The president and general manager of every concern are supervised more closely than the salesmen. Keep that in mind when you get a criticism from any of the executives of your company. Instead of resenting it, analyze and turn it to your benefit.

G i v i n g O r d e r s

Men in the field, as well as men in the office or factory, should be given every opportunity to solve their own problems and overcome their difficulties. If they make a mistake and admit it,

forgiveness should be automatic. But the same mistake must not be made a second time.



You should always be fair with your salesmen because they are always alone in their field and meet people who have a great habit of saying "No." Let them discuss matters with you and try to help them.

Self-appraisal

You often hear men say, "Well, my record is as good as the average." When a man says that he is paying himself no compliment at all.

Salesmanship

If a prospect asks about some other make of machine tell him that you know very little about it. Tell him that Mr. Blank over on Main Street is the agent, and should be able to answer questions, because he sells that product. You are there to talk International.

Think of the effect which that will have on the prospective customer. He will feel that you are a reliable businessman talking business in an honorable way. You have something to talk about and know how to do it.

I wish I could get that thought firmly into your minds today. All you have to do is go into your territories and talk International. Do not allow anyone to lead you astray by discussing something else. If you do you will lose your point of

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vantage. Just as soon as you start to criticise or depreciate some other product you start weakening your case. On the other hand, by concentrating on your own goods you are constantly strengthening your own case.



Whether we are selling scales, time recorders or tabulating machines, we prove our case by getting the prospect to figure out the actual savings that we can effect.



Very often it is one single word used in your approach that opens up the proper contact between you and the prospect. If a Dayton Scale salesman introduces himself with the words, "I represent the Dayton Scale Division of the International Business Machines Corporation," it makes the merchant think beyond our scale division . . .

Human nature, you know, is the same the world over. We all like to be identified with important things.



Cover every point of your equipment in talking about it. Don't dwell on any one thing. Explain the entire subject to the prospect.

P e r s o n a l i t y

Always remember that your personality is your big asset. Do not try to emulate another person. Present your proposition in your own natural way, always keeping your personality *behind*

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your product. Some men get their personalities between their product and the prospect by dressing flashily or doing something unusual to attract attention. Such conduct only kills business. Real personality comes from the heart. Many salesmen fail because they strive to do something unique to make people look at them when they come in. This may attract attention but it is detrimental to the proposition they are coming to present. When you talk in an unusual manner or try to imitate someone else, you are not acting naturally and the prospect feels that at once. He begins to think about you, wondering why you introduce yourself in such fashion. Then he forgets about the wonderful accounting aid you are bringing him. So forget yourselves and become enthusiastic about your product.

P e r s i s t e n c e

It does not require a genius to find the people who need these machines. Walking and talking are all that is necessary. These are the two things we must do. Most of us can talk, but some are a little shy on the walking. Whether you use a motor car or your feet, the main thing is to cover ground and keep moving from the time you start out in the morning.



My manager used to say: "There are only two classes of people who never change: fools and dead people." That is pretty true. Keep track of those fellows who say "No," today, because next week, next month or next year they are going to say "Yes," to somebody who is selling our kind of goods.

Sales Challenge

That word “why” is one of the strongest words in the selling language. When some man tells you that he doesn’t want the machine you are selling, ask him why, and let him answer before you start telling him why he ought to have it.

Let him tell you why he doesn’t want it. I think the answer nine times out of ten will be that it costs too much money. Then you present your real selling argument, which should sound something like this:

“If I can’t show you where this machine will save you money in your business, I don’t want to sell it to you.”

First of all, show him that he is going to save money . . .

Duty

You sometimes hear people criticize various sales methods. They object to the so-called strong-arm method of selling or to what they call high-pressure salesmanship. Do not listen to that. What they really mean is that you have a group of salesmen who hang on to their prospects until they get the order and bring it home. That is what you employ them for. If they are selling an article of merit, it is their duty, as salesmen, to use every conceivable argument they can that is honest to convince the prospect that he ought to sign the order. That is the only way your business can run. . . .

I know that kind of selling means harder work, staying a little longer with the man, walking a little farther every day to find the man who will say yes. But it gets results.

Working

If you do not enjoy your surroundings and associations, my advice is to change your work. Some years ago, a man who was rooming with me remarked that I was very happy in my work and that he wished he were happy in his. I told him that if I could not be happy in my work, I would not work.

Success

Never think of this business as being a successful one. It is not. It is merely succeeding, going a little farther each year in its endeavor to succeed. Whenever an individual or a business decides that success has been attained, progress stops.

Self-development

When you learn to supervise yourselves, you attract favorable attention and are ready to supervise others. "Self supervision is the best supervision." Develop your initiative—do something that no one else has done. Think of something that should be done in our business and tell us about it. Spur us on to do more in the way of developing better machines and better men in IBM.

Hiring

There was a time when I thought I could look a man over and decide from his appearance, personality and conversation

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whether he would be a success or a failure. That theory was exploded years ago.

E d u c a t i o n

Teaching is of no value unless somebody learns what is being taught.

B u s i n e s s V i e w p o i n t

Early in our work we learned that business is a vast school, parading its problems before our eyes and waiting for an answer.

P r o m o t i o n s

When a man is given a promotion his responsibility has been extended, and the first thing for him to do is to worry over it instead of taking a great deal of pride in his new power. His first duty is to sit down and to think seriously about his responsibility and how he can aid his co-workers who in time will be doing bigger things in our business. It does all of us good to worry a little about how we are going to take care of our jobs.

P r i o r i t i e s

I started as a salesman and they call me “President” now; but I call myself “salesman,” and I will never let my thoughts get

away from selling and from the conviction that my duty is selling. When any man in any business moves up from the selling to other positions and loses sight of the importance of selling, advertising, and sales promotion generally, he is going the other way—he isn't going up; he is going down. He may not know it but he will soon find out.

C h a r a c t e r

If we have anybody in any department—sales, factory or office—who we discover is a man of real character but does not display good manners, we must get rid of him and give the job to somebody who does possess those qualities. Then we will have a real organization. Of course, we must always set the right kind of example all the way along the line as to character and good manners. Then you can teach the men anything, because they are with you, they will listen to you; they are not trying to show off or be smart. They get right down to business.

I n t e g r i t y

Just be honest with yourself and you will not have to worry about being honest with anybody else.



William Wrigley Jr. prepares to throw out the first ball at Chicago's Wrigley Field in 1928. As owner of the Chicago Cubs, Wrigley flatly refused to make any business appointments on afternoons when his team was playing.

William Wrigley Jr.
1861–1932

William Wrigley Jr. never lacked for self-confidence, a quality that was knitted to a sense of humor in his broad personality. Both as a salesman and as head of the gum company that he founded, Wrigley set his standards carefully and let results follow. A vocal champion of long-range thinking, Wrigley spent money liberally in order to accomplish worthwhile business goals, and for a time, he was responsible for the largest advertising budget in the world, in his effort to make the name of Wrigley's Gum familiar. He succeeded in that. Through the gum company, William Wrigley amassed a fortune that allowed him to make outright purchases of the Chicago Cubs baseball team and the resort island of Santa Catalina—and to operate both according to his own ideas. Wrigley had the advantage of knowing exactly what he wanted for each of his separate businesses, but it was never anything as mundane as mere profitability. That came later, in Wrigley's enterprises, only after the real sense of accomplishment.

When William Wrigley Jr. was eleven, he ran away from home. He boarded a train in his hometown of Philadelphia and, a few hours later, arrived in New York City his own man. As he told the story later, he wasn't unhappy at home, where he was the oldest of nine children. William Sr., a soap manufacturer, was an indulgent father in many ways, but he was naturally sober in demeanor. His oldest son was naturally buoyant. Skipping out at the beginning of summer vacation in 1872, William Wrigley Jr. was less a runaway than an adventurer, impelled by the certainty that he could take care of himself.

If Wrigley hadn't been able to take care of himself, he would have found out soon enough in New York. He arrived with only a few pennies, but found his first job within hours, signing on as a newsboy. Forced to sleep in the street, he made the best of that, too, and found a grate near the *Tribune* building that gushed heat all night, while the presses below turned out papers. Unlike a typical runaway, he sent postcards home to assure his parents of his well-being, and for their part, they didn't try to come after him. Before the school year started that fall, Wrigley returned home, the adventure having been won.

During a summer of odd jobs and free accommodations, Wrigley had proved a vital point: He was equal to the world. Even as its smallest and poorest particle, he'd stood up for himself, earning a lasting sense of power—the right to give in to enthusiasm.

Seven years later, in 1879, Wrigley exercised that right again when he and another nineteen-year-old decided to become silver barons in Colorado. Having stashed their rail tickets inside his hat for safekeeping, Wrigley made the mis-

take of sitting down next to an open window on the train. The hat was whisked off somewhere in Missouri, followed shortly by the two boys, who were whisked off in Kansas City. Wrigley managed to find jobs for himself and his fellow silver baron as waiters in a hash house, a particularly bleak one. "I'd rather starve than work there," remarked his friend.

"I wouldn't," William said and started carrying dishes. He later sold rubber stamps door-to-door in Kansas City. That was all he saw of the Wild West, but at least he earned enough money to go home—and to make his appearance in a new cowboy outfit.

Wrigley reverted to selling his father's soap, the job he'd held since the age of thirteen, when he was permanently expelled from school for throwing a pie at the schoolhouse. That had hardly been his first offense. His record also listed frequent absences when Philadelphia's baseball team was playing at home. However, throwing a pie at the school made Wrigley an incorrigible case as far as the authorities were concerned. He talked his father into letting him go out on the road, where he learned most of what he knew about business, taking people as he found them and then figuring out ways to sell them soap.

For all of his success as a salesman, Wrigley had only \$32 to his name at the age of twenty-nine, when he took his wife, Ada, to Chicago to start a new soap business. He hadn't saved much money of his own, but an uncle invested a hefty sum—\$5,000—in the Chicago venture. Wrigley's father backed him with merchandise, and the business lurched slowly to a start. It accelerated with a sudden jump after the company started giving umbrellas to dealers who placed orders. Wrigley had concluded that if the dealers were motivated, they could move his

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soap off the shelves even at twice its previous price. The prospect of free umbrellas not only motivated those early dealers, it changed the future of the William Wrigley Jr. Co.

Before long, it was hard to tell exactly what business Wrigley was in, with all the home furnishings and appliances he started shipping as premiums for dealers. As a matter of fact, he changed businesses not long after arriving in Chicago, selling baking powder rather than soap, but it hardly mattered. "Everybody likes something extra, for nothing," he once said, while supplying willing retailers with coffee pots and cuspidors, baby carriages, fur rugs, and boudoir lamps. Somewhere underneath the heap, there was some baking powder, and Wrigley was making money on it.

Stocky and muscular, William Wrigley Jr. had a ruddy complexion, blue eyes, and thick black hair. He and Ada had one child, a son named Philip who would later take over his father's businesses. They were a close family, and Philip would recall that in his early childhood, when the family was not at all rich, he and his father liked nothing better than to spend their evenings listening while Ada read out loud to them from a novel. Wrigley's favorite hobbies were horseback riding and bird-watching; he also boxed, golfed, and earned swimming medals even in middle age. Disdaining religion, he good-naturedly asked people, "What's your superstition?" if the subject were broached. He did, however, have baseball to give him respite from life, and perhaps meaning within it. Even in his hardest working years, when he calculated that he spent more than half his time on the road, he made time on summer afternoons to go to baseball games.

Within the Wrigley company, the sporting proposition was the selection of premiums. Choosing them in advance and in

bulk was like picking out a single Christmas present to delight thousands of people. When Wrigley chose wrong, the dealers let him know in their own clear fashion: They stopped ordering his baking powder. After playing the game for a year, Wrigley decided to offer something simpler as a dealer premium. He selected chewing gum, a novelty brought to the market by Thomas Adams in the 1860s.

Chewing gum was an uncertain product when Wrigley decided to try it out. To his surprise, the new premium sparked instant excitement: Dealers began to ask if they had to order baking powder just to get the gum. Turning the whole company over to chewing gum, Wrigley started production of his own brands in 1892; included among them were Spearmint and Juicy Fruit. From the first, he wanted to enhance sales with a premium (deciding against possibility of offering a can of baking powder with every order of gum). Wrigley offered a wider array of appliances and sundries than ever, so that his Doublemint gum would double a retailer's revenues, first from the gum and second from the sale of the premium. The effort was so successful that by 1932, the Wrigley Co.'s order of electric clocks filled twenty-nine train cars. The razors filled fifty.

As distribution of the gum expanded, advertising for it exploded. Wrigley was the world's leading advertiser in the decades before and after World War I. From city squares to newly constructed highways, the landscape was littered with the company's billboards; one of them, along a railroad track in New Jersey, stretched for three miles. During the 1920s, every single bus, subway, or elevated train car in the country—62,000 in all—carried at least one card touting Wrigley's gum. For years, it was a tradition that every toddler in the country received two sticks of gum from the company on his or her sec-

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ond birthday. On two occasions, the company mailed four sticks to every person listed in every phone book in America. Others called Wrigley a “plunger,” and said that he was wasting his money, oversaturating the country with his message. But he wasn’t wasting money: By 1922, William Wrigley was selling ten billion sticks of gum per year.

William Wrigley never diversified his company: The business at hand was chewing gum. However, with an income that exceeded \$5 million per year after 1917, he did diversify his own business interests. In 1919, he purchased Santa Catalina Island, off the Southern California coast. The same size as Bermuda (twenty-seven miles long and as much as eight miles wide), Catalina had been little improved by previous attempts at land speculation. Wrigley paid \$3.5 million for it. “I’m going to spend a lot of money there in the next several years,” he told the *Los Angeles Express*, referring to a total that would reach \$7 million during his lifetime.

Having entered a business, Wrigley was uniquely oblivious to making money. According to the formula he used over and over again, expenditures needed only contribute toward a tangible goal, such as the enhancement of Catalina as a resort for all classes of people. Profitability did not interfere with Wrigley’s goals, but rather was presumed to follow them at a distance. “Eventually,” he said of Catalina, “I’ll make up the cost by taking the smallest possible profit from an increased number of visitors.”

In the case of the Chicago Cubs baseball club, of which Wrigley took control in 1919, the goal was a perfect day at the ballpark. Wrigley had been to enough stadiums around the country to know that most were brusque in atmosphere, and that all were plain dirty: The Cubs’ field was both. Further-

more, all of baseball was smudged in another way: The “Black Sox” game-fixing scandal (perpetrated by Chicago’s other team, the White Sox) had shocked fans in 1919 and seriously undermined enthusiasm for the game.

On taking control, Wrigley had the Cubs’ stadium completely renovated—and scrubbed. “Mr. Wrigley was fanatic about the beauty and cleanliness of the ballpark,” recalled Woody English, a shortstop on the 1927 team. “The floors along the refreshment stand were so clean if you dropped a sandwich on the floor, you could pick it up and eat it.” The business at hand was baseball, and the new owner did not lose sight of that fact, even though he was—in another sphere—the nation’s leading advertiser. He banned billboards from the stadium outright, because they would distract from the game.

Attending nearly every home game (and most of the Cubs’ away games), Wrigley wanted to see all kinds of people at the stadium, renamed Wrigley Field in 1924. Particularly successful were Ladies Day and free admission for schoolchildren, brought in by the thousands through an ongoing arrangement with the city school board; had Wrigley’s grammar school offered such a program, he might not have thrown a pie at it.

“Every Chicago baseball fan owns a controlling interest in the Cubs—in his own mind,” Wrigley wrote. A perfect day at the park includes winning, too, as those fellow owners were quick to remind him, and Wrigley paid high salaries in trying to assemble a championship team. It cost him \$500,000 just to sign Rogers Hornsby, but Hornsby was more than a hitting star. He was cold and he was stubborn, but he was utterly incorruptible and the fans knew it.

Philip Wrigley good-naturedly recounted a day when he and Hornsby were about to climb into an experimental air-

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plane for a ride. Suddenly, William Wrigley protested. "Wait a minute, Rog, you can't go," he said, "you're too valuable."

The real benefits of Wrigley's expenditures unfolded between 1929 and 1938, when the Cubs won the pennant four times. Wrigley lived long enough to celebrate only one of those pennants; he died in his sleep in 1932, at the age of seventy. Though the team did not win the World Series during his tenure as owner, it did return strong profits starting in 1925. In 1927, the Cubs became the first major league team to pass the one million mark in attendance, drawing 1.2 million fans. When Wrigley bought the club, they couldn't even draw 200,000.

"I have never seen Mr. Wrigley worried," a company executive said, in a description not disputed by any other, "... never without a smile and an optimistic word. In crises that would have crushed many men, that had me running around in circles, he remained as calm, as cheerful, as if he were on a Sunday picnic. I have never seen him angry. He makes all his decisions instantaneously. If his business were smashed to smithereens, he'd pick up the pieces with a smile and start building them over again."

In the words that follow, William Wrigley makes it clear that those who don't like selling shouldn't be in sales. He loved to sell, relating stories and tips about tough customers, discouraging days, and trying to make an impression. Believing in hearty salesmanship, Wrigley embraced advertising in the same spirit. He shows a few of the ways he used advertising effectively in turning Wrigley's Gum into a worldwide brand name. In one sly coup, he didn't advertise at all and received a priceless amount of publicity in return.

I N T H E W O R D S O F

William Wrigley Jr.



Make a good product at a fair price—then tell the world.

P o t e n t i a l

Many men who are worth not over five hundred dollars at the moment this is printed will be millionaires in less than five years. That prediction involves no risk. It will happen. Who they are, by name, I do not know. But I know what they are. They are salesmen.

P e r s i s t e n c e

Sticking is one of the big things in salesmanship—one of the biggest. Nearly all buyers say “No!” at first. Real salesmen stick until the buyer has used up his last “No!” . . .

I tackled my first merchant with the resolve of selling him

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an order of soap if it took a week. He was located in West Chester, Pennsylvania. He put me off and put me off, but finally broke down; he admitted he would either have to give me an order or kill me, and he didn't want to kill me. The amount of that order was one dollar and eighty cents. Every man who ever made good with me as a salesman has been a sticker.

S a l e s m a n s h i p

The art of salesmanship can be stated in five words: *Believing something, and convincing others*. That is easy to say. But selling is not easy. A salesman has to master himself; he has to know human nature and like people; he has to be able to stand up and take it on the jaw; he has to stick when they call him a fool for sticking; he has to work hard, late, and long. Success is not easy. But it is worth the price.

V i s i b i l i t y

When I was travelling among the tall-grass towns of Pennsylvania selling soap for my father, I used to drive a four-horse, six-spring wagon painted bright red, with a collar of sleigh bells on each horse. One horse would have been plenty to haul me. The bells were a great nuisance, for they chafed the horse's necks, and if it was six or eight miles between towns, I always took them off. But when I put them on again and drove jingling up to a store, everybody inside would rush out to see what the circus was; most of them had never seen a six-spring wagon before. Nobody sold more soap in those parts than I did.

Bunk? Yes! Sleigh bells had nothing whatever to do with selling soap. They got me a chance to tell my story.

[As a successful businessman in Chicago, Wrigley rode in imported limousines—which were always bright red.]

Long-term Thinking

I have sometimes been asked what single policy has been most profitable in our business, and I have always unhesitatingly answered, restraint in regard to immediate profits—going a bit further with the restraint than we might have gone. That has not only been our most profitable policy, it has been pretty nearly our only profitable one. It has been the inspiration of every distinctively successful method we have used . . .

By a sort of paradox, however, it has not been in prosperous times that we have been able to exercise this restraint most profitably. . . . If we have been tempted in good times to take the profits immediately available by increasing our price, we have been tempted equally in poor times to take them by avoiding unnecessary expenses. And it is precisely by refusing to avoid unnecessary expenses, when the pressure for doing it was very great, that the business has been able to make its greatest strides.

It was such a refusal that turned us from a comparatively small local business—local to a few of the larger cities—into a national one. That was in the depression of 1907. Advertising of all sorts had fallen off. Everywhere among manufacturers you heard reasons for not advertising, for exercising less than the ordinary selling effort.

The more I thought about the attitude, the more I wondered at it. It was not only that they were not taking advantage

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of the ordinary opportunities. They were missing something that looked to me tremendously like an extraordinary opportunity, because so few people were advertising at that time.

Expectation

[William Wrigley Jr. took a minority interest in the Cubs in 1915; he bought the controlling interest in the club in 1919 and held it until his death in 1932.]

There was a time when the Cubs were in red ink to the extent of almost half a million dollars. It doesn't require much imagination to realize how such a deficit would have affected an owner interested only in the financial outcome of the undertaking. But it didn't faze me, because I didn't go into baseball for the purpose of making money; that motive was so secondary that it was given little consideration. I stuck because I loved the game itself and wished to contribute to its progress and its greater enjoyment by the American people.

It's a satisfaction to me to believe that I have, to a very considerable extent, accomplished this. Not only are the admissions to Wrigley Field 1,000,000 more than they were when I bought the team, but that attendance has come to include all classes of people.

The Public

The only product that the baseball business has to sell is good will. If you fail to furnish the kind of entertainment that results in general public good will, you're out of luck. There's a catch

in this business at every turn, because you're playing with tricky, variable human nature, not inert physical commodities and mechanical methods . . .

The trick is to find the star. I spent seven years and \$300,000 to learn that the race of big-league stars on third base evidently had been exhausted.

Deal-making

I believe in the other fellow's right to live. I cannot expect to do well in my business unless he is able to do well in his business.



In no deal did I ever figure our own profit first. That's the wrong end to start from. I always mapped out some proposition whereby the dealer or jobber would make a mighty good thing. If their profits were big enough they would do all our worrying for us. They would become our salesmen through the natural desire to reap rewards that would come from a large turnover of our products. . . . Then, if the proposition left even a small profit for us, I knew it was sound.

Individuality

Every human being is a sample: the only one of his kind. Anybody who starts to sell with any other notion is due to have his eyes opened or lose his pants. No patent plan will sell everybody. One of the biggest things you've got to learn is: *Don't treat them all alike.*

E q u a n i m i t y

Many a man became my good friend and a customer simply because I would not take offense. There was a wild Irishman, I remember, whose main joy in life, it seemed, was to scare salesmen half to death; and he insulted those he couldn't scare.

"You young whippersnapper," he snarled at me, "don't you know there's a danged sight more *outside* of your head than there is *in* it?"

He said it with the intention of starting a row. I only grinned.

"I never thought of it just that way before," I said, "But I'm darned if I don't believe you're right!"

It stopped him. He was as vain as Mamma's only boy. I petted him, asked him to give me advice. And if he is in business today, he probably still has some of the soap I sold him that first trip!



There was a lesson I learned . . . from Caleb Thornton. Caleb was a Quaker.

It was a rainy day when I first called at Caleb's store, and he had a clerk busy carrying fifty-pound sacks of flour from the back part of the store to the front, arranging them in a neat pile.

"All done!" the man said presently.

"Very well," replied Caleb; now thee may carry them all back and pile them where thee found them."

The man immediately got red around the collar. He wanted to know what was the sense of doing that.

"It's a rainy day," said Caleb, "and there are no customers. I am keeping thee busy. Whether there is any sense in it or not, I pay thee thy wages, and can tell thee to do what I please."

“I’ll quit before I’ll carry all that flour back,” said the clerk. “You can’t make a jackass out of me.”

He put on his coat, collected his wages, and left. I don’t know but I sympathized with him. But Caleb turned to me, quietly smiling, and made his point.

“What good does it do a *poor* man,” he said, “to get mad?”

I saw the point; and it was the second thing I learned and never forgot: *Don’t let them rile you*. As long as I sold goods, I never got mad at a customer and showed it.

Except once—in a little town in Pennsylvania. The merchant was half drunk. He called me a liar, a particular kind of liar—and meant it. He was big; I was a boy, but husky. I hauled off and hit him as hard as I could.

S u p e r v i s i o n

[*An avowed yes-man in selling situations, “on anything that didn’t matter,” as he said, Wrigley tried to weed out yes-men within the executive ranks of his company.*]

A few yes-men may be born, but mostly they are made. Fear is a great breeder of them. An employer who habitually makes yes-men is a poor sort to be associated with. He doesn’t develop men’s abilities, likes only his own ideas, is stingy with praise and cash, rules by fear, makes less money than he might.

S e l f - a p p r a i s a l

There’s something of the crook, I believe, in the man who always agrees with you. He wants to get something by methods not quite

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straight. Maybe he wants your ideas so he won't have to do his own thinking . . . a brainsucker, lazy! Maybe he doubts whether his ideas are any good . . . lack of self-confidence is a common way of being dishonest with oneself. Maybe he is afraid of you and thinks the best way to keep on your blind side is never to question your wisdom. Maybe he is a flatterer who agrees with you to your face, and picks your pocket when your back is turned!

V e r a c i t y

Advertising is our printed salesman. It may not be pretty. Sometimes, they tell me, it is not. But it has to be *true*.

A good many years ago a rival chewing gum manufacturer came out with a grand premium offer. He promised to give what he called a ten-dollar, gold-filled watch with every order for eight dollars' worth of chewing gum. We were no slouches at premium-giving ourselves; to match him, we brought out a similar offer.

"They call it gold-filled," we announced; "really, it is gold-washed, and as little gold as possible, at that. It will run, we think. But don't put it in your pocket and depend on it. *It's just exactly the kind of watch you would expect to get in a raffle, or free with eight dollars' worth of gum!*"

Customers swamped us with orders and said it was the first time anybody had ever told them the plain truth.

A d v e r t i s i n g

In 1902 I decided to storm New York with publicity. I spent \$100,000 and hardly made a ripple. It was money dropped into a hole, so far as anyone could see. I waited until I had another \$100,000 and tried it again with the same result.

[Wrigley backed away from New York, just long enough to see whether the problem was with the advertising.]

We saved up another \$100,000 and went to a smaller community, or rather three communities—Buffalo, Syracuse, and Rochester—all of which together were much smaller than New York City. There we did exactly what we had done in New York—blew our money as hard as we knew how, and much as on the second occasion in New York. And it made a ten-strike. The three cities were set talking about our products, our sales jumped up, and the campaign quickly paid for itself.

What was the difference? Simply that in the last instance there was less competition for our prospects' attention.

[Wrigley turned again to advertising in New York City.]

I tried a third time, after recuperating, and this time with a quarter of a million. I wanted to get the dropped \$200,000 back. I did—plus.



We have spent more than \$20,000,000 to tell the world about our product. I believe in advertising all the time. There is no such thing as getting a business so established that it does not need to advertise. Babies who never heard about you are being born every day, and people who once knew you forget you if you don't keep them reminded constantly. Dull times are the very times when you need advertising most.

Surprise Element

[William Wrigley was committed to the value of publicity and advertising: “hit ’em hard and hit ’em often,” was his advice on the subject of promotion. His company was the world’s leading advertiser from the mid-teens through the 1920s, when the Wrigley name was plastered on billboards and bus cards all over the world. Wrigley was single-minded, but he was also wily. In the early 1920s, he built a landmark office building in Chicago.]

Did you find my name anywhere on this building? Did you find any mention of Spearmint in its outside walls? People thought when I began to put this up that I would plaster my name all over it in letters big enough to be seen miles away. If you look when you go out you will find it in small letters over the front door—but you may have to look twice.

As a matter of fact it was better advertising not to plaster my name on the building. People talk more about it. It is the unusual thing—the thing they didn’t expect me to do.

Loyalty

Office employees are salesmen, in one sense. They have to sell their services to the boss—or find a pink slip in the pay envelope! . . .

The first man I hired when I started selling chewing gum was paid seven dollars and a half a week and pushed a wheelbarrow around town. He never objected to working till any and all hours, if we had to finish up. He has a snug job at the factory now, is foreman of a department, and draws five times the wages you would expect him to receive . . .

Henry could not sell five-dollar gold pieces for seventy-five cents. He just has not got the knack, and would not learn if he lived to be a hundred. But he knew how to be loyal. He knew how to do *his job* and give the best he had. He sold himself to me all right.

T e m p e r

[Wrigley's jovial personality was an expedient in many difficult sales situations, one that he understood could have a downside, if he were not careful.]

I managed to control my temper, but I never allowed any man to use me as a common doormat—not for long. People do not buy much from a man who fails to command their respect.

A c c e s s i b i l i t y

[Wrigley had a series of meetings with a visitor from England, a sales representative named Hartly, who complained that they were continually being interrupted by employees.]

We had had plenty of talks. Just such talks as I have with anybody who has business in my office. Both doors wide open all the time. Anybody else who has some business item he must see me about at once is free to come and go, no matter who my caller is. No delay. Walk in, get it done, get out. No important transactions held up for the awful ceremony of seeing the boss—when the boss isn't seeable!

I explained all this to Hartley.

“When these people come in here,” I said, “they aren't

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doing it to interrupt you. They're carrying on this business. If they hear a word or two of our conversation, that's all right. I have no secrets. We're all here to make this business go, and for no other reason. Every time a man walks in or out, I've made some more money."

I n t e g r i t y

One of the biggest pests in business is the carbon copy—the fellow who always says:

"Yes, Mr. Wrigley, you're absolutely right."

Perhaps meaning:

"Have it our own way, you old buzzard, what do I care?"

Business is built by men who care—care enough to disagree, fight it out to a finish, get facts. When two men always agree, one of them is unnecessary.

P e r s o n a l i t y

[Because Wrigley communicated very effectively in person, he tried to keep his written correspondence just as relaxed, in his own individual style. Jobbers and salesmen looked forward to his periodic letters. For example, one once ended:]

I am sending you in a tube my picture, done in the latest style and signed by myself. Had to sit up a good many nights to do the signing, but I wanted to make it sort of personal.

P.S.—Busted my hand signing the 12,000 photographs so had to sign this letter with a rubber stamp.

Delegating Authority

When I got back to the office once, after a three-months stay in Catalina, a department head came to ask about a certain policy in his department.

“That’s O.K.,” I said.

He was leaving the room.

“By the way,” I called after him, “why did you ask me about that? It’s in your department. You know more about it than I do—”

“Well,” he replied, “if you say it’s O.K. I know I don’t have to worry!”

“I was under the impression,” I said, “that we paid you a big salary to worry!”

Commitment

Nothing is so much fun as business. I do not expect to do anything but work as long as I can stand up.



There is no rule in this game except to use the best judgment you have, think hard, act quickly, and remember the other fellow has as good a right to live as you.



Andrew Carnegie, at about age seventy, tours an exhibit of airplanes. Rather slight, at about 5 feet, 3 inches tall and weighing just over 100 pounds, Carnegie carried himself with agility and excelled at many sports.

Andrew Carnegie

1835–1919

Andrew Carnegie built his fortune, perhaps the greatest of his day, by supplying the steel that built America's own burgeoning fortune in the Gilded Age. An early promoter of steel in this country, he was the head of Carnegie Steel from its beginning in 1873 until he sold it in 1901. Carnegie built on his early lead by developing efficiencies of scale, the result of diligent cost analysis and unstinting investment in tooling. An amiable man, but a demanding boss, Carnegie ultimately managed employees by leaving them very much on their own: He spent most of his time far from his offices and sized up results mainly through dispatches. Having learned the right questions to ask of a business, he knew exactly how to interpret the answers he received. In retirement, Andrew Carnegie originated a philosophy of wealth that made some observers label him a radical, but that may in the long run have saved capitalism in America.

One morning near the turn of the century, Andrew Carnegie traveled north from his home in New York to keep an appointment with John D. Rockefeller, who lived about an hour north of the city. Carnegie was fond of Rockefeller, even if he did refer to him as “Reckafellow” behind his back.

Reckafellow certainly hadn’t wrecked Carnegie. As the world’s leading steel master, Andrew Carnegie often boasted that he had “got ahead of John Rockefeller” in signing a long-term lease on Rockefeller’s holdings in the Mesabi Range in Wisconsin, a nearly limitless source of iron ore. Carnegie and Rockefeller were the richest private citizens in the world in the years around the turn of the century: Either one might be considered first, according to different measures. Only in golf was their ranking indisputable. Rockefeller always won, a fact that irritated Carnegie no end. In the first place, Carnegie was from Scotland, where golf originated. And in the second place . . . he liked to get ahead of John Rockefeller.

For company on the train ride from New York, Carnegie brought along an old friend, a diplomat who noted as they approached the door of Rockefeller’s house that it was lunchtime; he then made the idle prediction that they would probably have something to eat with Rockefeller.

“Well, we will not,” Carnegie countered in his faint Scottish lilt, “The old fellow won’t ask us to lunch. He’ll give us instead some one of the latest small things that have struck his fancy.”

As a host, Rockefeller treated both of his guests genially, even as he and Carnegie dispatched their business. The lunch hour passed and then, just before the two visitors left, he excused himself from the room. “I want to get each of you a

very nice thing I have recently discovered,” he said, in a murmur of excitement.

Carnegie waited, as did the diplomat.

When Rockefeller returned, he handed each man a paper vest. “Keeps out the wind and is light and warm,” he explained. Then he bid them good-bye, and they walked away carrying their paper vests.

Andrew Carnegie did not always know so precisely what to expect from other people—but he often did. Known as the “Canny Scot” for his shrewd dealings, he was just as equally the “uncanny Scot” for honing a reliable sense of events that were about to unravel. Yet there was really nothing mysterious about Carnegie’s ability to anticipate. He was not born “ahead.” He practiced. He trained himself almost as a habit to lean into the future, so that he could have the benefit of detachment. A born individualist, Andrew Carnegie seemed incapable of making assumptions about what *should* be, in human nature. Instead, he gauged his employees, his partners and his adversaries according to what *could* be, for each one and in developing situations. Always a realist, Carnegie remained unusually optimistic, and he only rarely allowed himself to be in a position to be disappointed.

Disappointment indicates waste and Carnegie was loath to waste anything: not money, not opportunity, not materials—and certainly not hope or his own energy. Known as a keen judge of character, he developed techniques for dealing with people that reduced the risk of disappointment, just as he reduced the risk of waste in money and materials. At the same time, he formed habits that kept his own attitudes supple throughout his career, so that he never boxed in the most important potential of all, which was his own.

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Andrew Carnegie was born in 1835 in an industrial town in Scotland, where his father, William, was a hand-weaver and his mother, Margaret, ran the household. By 1848, when power looms had all but completely replaced hand weaving, the Carnegies were rendered destitute. They borrowed just enough money from a friend to emigrate to America, where they settled near Pittsburgh and struggled through years of poverty. Andrew never attended school in America, but started work in a cloth mill at the age of thirteen.

Many biographical sketches of Andrew Carnegie cite his childhood as a handicap that made his subsequent success all the more heroic. Carnegie would disagree vehemently. His self-confidence (which was formidable) was rooted in a single truth: that no one in the world could have had a more fortunate start in life than he. To be Scottish was to be descended from heroes, from self-made kings of destiny, such as William Wallace. To be raised in poverty was to be nurtured by caring parents, with no strangers intervening. To be schooled by relatives was to have teachers who set a lifelong example of learning. And to start from nothing at all in America was to enjoy the fullest benefits of the “Triumphant Democracy,” as Carnegie later called his new nation.

Margaret Carnegie’s family back in Scotland consisted of working-class intellectuals. Considered radicals, they agitated generally against the monarchy and specifically against capitalists.

Andrew Carnegie was rooted in the egalitarian ideal, just as was his adopted nation. He was a humanist. But, along with the nation, he would develop—and perhaps overdevelop—quite another side during the capitalist stampede of the late

1800s. Rather abruptly, both Andrew Carnegie and the United States came to reflect the very worst elements they had each once despised in Europe's oligarchies. Carnegie was aware of the chasm created by his own Gilded Age, of the permanent change of spirit it seemed to reflect in himself as well as the nation. Alone among the millionaires of his era, he would be haunted by that chasm and would be compelled to bridge it somehow.

The most exciting industry in the nation in the 1850s was railroading, and the best-established line of all was the Pennsylvania Railroad. In 1853, when he was sixteen, Carnegie was offered a job there. He found himself surrounded by a business organization modern for its time and by ambitious men from whom to learn.

Carnegie was also surrounded by opportunity. Even as he developed into a ranking executive with the line, he developed his own interests in some of the most lucrative fields of the age. As his biographer, Burton Hendrick, pointed out, Carnegie had major investments in the sleeping car business before Pullman and in the oil fields of Pennsylvania before Rockefeller.

He entered the ranks of manufacturing by starting a company to build railroad bridges. He later expanded into production of iron, the building material of his bridges, and as steel came into use he would become the dominant producer of it in the United States.

With the outbreak of the Civil War, Carnegie went to Washington to organize a telegraph system for the Union army. He believed deeply in the Northern cause, and allowed himself to become overworked, suffering something akin to a ner-

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vous breakdown. His superiors advised him to take three months off in 1862. Without a second thought, he and his mother (by then a widow) returned to Scotland.

Every summer for over fifty years, Carnegie would take a long sojourn in Scotland. Even in his most productive years and at the height of his working life, he spent at least six months of each year vacationing. A minute part of each trip might be devoted to business meetings, but most of the time Carnegie was simply enjoying himself. As one of his friends described him, in a letter written from Europe, “Andy is so overflowing that it is extremely difficult to keep him within reasonable bounds, to restrain him within the limits of moderately orderly behavior—he is so continually mischievous and so exuberantly joyous.”

Overflowing may be the one word that describes Andrew Carnegie best.

Vacating the office (as well as the country) for half of each year would seem an unlikely method of building an enormous, highly aggressive company. The schedule had practical benefits, though.

To Andrew Carnegie, a good executive did not hold the reins of day-to-day management. His job was to implement a progressive system, install worthy employees, and chart an accurate course for the company. If he needed to do any work per se, then the system had failed. If he had to watch over the employees in order to get the best out of them, then they were flawed—and so was the system. And if the executive had to make myriad decisions just to maneuver the company through each and every day, then the course must be poorly chosen. Carnegie tested his ability as an executive—by leaving.

Outwardly, Carnegie explained his travels in terms of his

need for self-improvement. He had a fear, expressed when he was thirty-three, that “To continue . . . with most of my thoughts wholly upon the way to make more money in the shortest time must degrade me beyond hope of permanent recovery.” He studied art in the museums of Europe (at a time when America did not yet have any great museums) and was current in the theater of the foreign capitals. Most of all, Carnegie was devoted to poetry and memorized long passages as a matter of course. He was especially influenced by the work of Shakespeare.

Carnegie’s lifelong study of poetry and literature was more than a hobby. As a magnate who admitted that he “had no shadow of a claim to rank as inventor, chemist, investigator or mechanician,” he was quick to acknowledge that the human being was the machine he understood. The only people who understood it far better, to his way of thinking, were the best of the poets.

In the steel business, Carnegie’s goal, which was not unique, was to expand production while pushing costs ever downward; that allowed him great flexibility on his own pricing, which brought the company increased control over the market. Many companies have proceeded on the same theory—though few put it into practice so effectively. Carnegie was obsessed with bringing down costs, as just one of his telegram exchanges shows:

To Carnegie from an associate:

No. 8 Furnace broke all records today.

Carnegie’s reply:

What were the other ten furnaces doing?

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In July of 1892, a labor strike at the gigantic Homewood mill, owned by Carnegie Steel, flew out of control on both sides. Previously, the Carnegie response to strikes had been harsh, but in some sense based on fairness. The company would simply shut down until the workers were ready to accept the terms offered. Both sides would suffer, because, significantly, Carnegie held to a pledge never to employ replacement workers (“scabs”) during a strike. At Homewood in 1892, however, the company waited only six days before importing replacement workers. Fifteen people were killed in the violence that followed. And all the while, Andrew Carnegie was in Scotland.

In the immediate aftermath, no one knew quite how to regard Andrew Carnegie’s role in the tragedy. Privately, he maintained that he would never have hired the replacement workers who so antagonized the strikers, and that he had tried to telegraph his junior partner, Henry Clay Frick, to that effect. Publicly, Carnegie stood behind the actions of his partner and, as time went on, it was he who bore the guilt for the tragedy. He once said, “My name is sacred,” regarding the many invitations he turned down to lend that name to business ventures. After 1892, though, the name of Carnegie was forever blighted by the bloodshed that had taken place at Homewood.

Andrew Carnegie is often grouped with the so-called Robber Barons of the Gilded Age: railroad men such as James J. Hill and Edward J. Harriman; financiers such as Jay Gould and J.P. Morgan; or even his own erstwhile partner, Clay Frick. He was different, though, in a key respect that kept all the others at bay. Carnegie’s company was a partnership in which he held the controlling measure. He long maintained a disdainful distance from the stock market and the rampaging of

Wall Street, bragging that he never owned any significant shares of stock in his middle or later years. To him, a “businessman” (a vaunted term in his estimation) made business, not just dollars.

Without having to pander to the emotions of stockholders, Carnegie could guide the company according to his own convictions. One of the seminal reasons the company grew as quickly as it did was that Carnegie Steel always expanded *during* panics or depressions. Even as stock prices fell, taking the market for metals with them, Carnegie would put every penny he could find into building up his facilities. Whenever the market for steel returned—as it always did—he stood waiting for it, or looming over it, with increased capacity and lower production costs.

Bold business strikes, and long vacations, gave Andrew Carnegie an early reputation in Pittsburgh as a rather unpredictable man. He was personally popular, but he hadn’t really turned out to be like the business idols of his youth, the somber men of Pittsburgh’s main streets, who actually strived for predictability. He was “overflowing,” with ebullient salesmanship and surprising gestures. Often, he reacted solely to what he called *the flash*. He would listen very politely to almost anyone with a proposal. If he had to reject it, he’d shrug in reply, “I don’t get the flash.” But when the flash came, it exploded over him, as he described in relating his conversation with one certain inventor: “He had not spoken a minute before, like a flash, the whole range of the discovery burst upon me. ‘Yes,’ I said, ‘that is something which this continent must have.’” That invention was a sleeping car for trains.

Andrew Carnegie was married to Louise Whitfield in New York in 1892, and they had one daughter. By the end of that

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decade, Carnegie was telling close friends that he was ready to retire from business. Of course, he had been saying that since he was thirty, but in 1902, he sold out to a group headed by J.P. Morgan.

Morgan went on to organize U.S. Steel around the Carnegie company, while Andrew Carnegie retired from business with over \$300,000,000. Before his death in 1919, he gave away ninety percent of his fortune, establishing separate foundations that are still active today in such fields as education and science. He also donated hundreds of well-stocked libraries to communities all over the world. Carnegie did not believe in organized religion, yet he donated many organs to churches large and small. When asked why, he replied with a smile, "To make the sermons more bearable." He also funded serious, permanent efforts to establish international peace, the main cause of his last years. Carnegie's initiatives helped create a model for the League of Nations after World War I, which in turn led to the United Nations a generation later.

Nonetheless, the specific charities that Carnegie chose to endow are not as important as the example he left. In trying to bridge the gulf between his own humanist ideal and the vast power—and money—he acquired through the labor of others, Andrew Carnegie became a very unique American philosopher. In his essay, "The Gospel of Wealth," he argued that America would create millionaires, not in contradiction to the spirit of democracy but in fulfillment of it. Most millionaires, he said, only made their fortunes because American society as a whole never stopped expanding, boosting some people to the crest of its wave. To whom were those millionaires obligated? Not to their children, as in European primogeniture. Rather, they were obligated to the society around them. To Carnegie,

those who were best at making money were best at distributing it for the benefit of the American community.

Charity was not a new invention when Andrew Carnegie struck his point. However, it was Carnegie who recognized that the seemingly uneasy union of American democracy and unlimited capitalism had to be cemented by large-scale philanthropy. It was the only way he could survive his own success, and a path he cleared for the country to follow.

In the words that follow, Andrew Carnegie shows how well rounded he was as a businessman and as a person, speaking to a great variety of subjects, from humor to income tax. Carnegie makes practical points on management as related to capital investment, nuances of accounting, and quality control. But he didn't start out as a manager, not remotely, and he also speaks about ambition and self-promotion on a basis just as practical. Many people consider salesmanship to be Carnegie's greatest skill of all, and he unravels the story of one crucial sale he made, with the steps he took to ensure it.

I N T H E W O R D S O F

Andrew Carnegie



A p p r a i s a l

Show me your cost sheets. It is far more interesting to know how cheaply and how well you have done this than how much money you have made. The one is only a temporary result, due possibly to some special condition of trade, but the other means a permanency that will go on with the works as long as they last.

P r i n c i p l e s

[System magazine asked Carnegie for the rules he considered cardinal for a manufacturing business. He submitted them in his own handwriting, making a last-minute change in order between numbers three and four.]

For Manufacturers

First Honesty—no sharp bargains, do more not less than you promise.

Second If disputes arise give the other party the benefit of the doubt, always a profitable investment—avoid resort to law, compromise.

Third Subject all product to more rigid tests than the purchaser requires. A reputation for producing the best is a sure foundation upon which to build.

Fourth Should honest capable contractors need extension of payments from accidents or unusual monetary emergency, be lenient and help them thus making them friends.

F o c u s

The business man not only risks all in business enterprise, but, if wise, he puts his all into one business—he puts all his eggs into one basket. If he goes into the coffee business he deals in coffee, and if into the sugar business, he handles sugar, and the only time when he mixes them is when he takes sugar in his coffee.

C u s t o m e r R e l a t i o n s

We always accommodated our customers, even although at some expense to ourselves, and in cases of dispute, we gave the other party the benefit of the doubt and settled. These were our rules. We had no lawsuits.

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Capital Investment

It is surprising how few men appreciate the enormous dividends derivable from investment in their own business. There is scarcely a manufacturer in the world who has not in his works some machinery that should be thrown out and replaced by improved appliances; or who does not for the want of additional machinery or new methods lose more than sufficient to pay the largest dividend obtainable by investment beyond his own domain. And yet most businessmen whom I have known invest in bank shares and in faraway enterprises, while the true gold mine lies right in their own factories.

Focus

Whatever I engage in, I must push inordinately; therefore should I be careful to choose that life which will be the most elevating in its character.

Accounting

One of the chief sources of success in manufacturing is the introduction and strict maintenance of a perfect system of accounting so that responsibility for money or materials can be brought home to every man. Owners who, in the office, would not trust a clerk with five dollars without having a check on him, were supplying tons of materials daily to men in the mills without exacting an account of their stewardship by weighing what each returned in the finished form.

H u m o r

There is very little success where there is little laughter.

A t t a c k i n g T r o u b l e

The more difficult a problem becomes, the more interesting it is.

P u r s u i n g a D e a l

I gave a great deal of attention for some years to the affairs of the Keystone Bridge Works, and when important contracts were involved often went myself to meet the parties. On one such occasion, I visited Dubuque, Iowa, with our engineer, Walter Katte. We were competing for the building of the most important railway bridge that had been built up to that time, a bridge across the wide Mississippi, at Dubuque, a span which was considered a great undertaking.

That visit proved how much success turns upon trifles. . . .

M a k i n g a D e a l

[Even after learning that the contract for the Dubuque bridge had been awarded to a rival, Carnegie remained to talk with the directors of the railway company.]

. . . They were delightfully ignorant of the merits of cast-and wrought-iron. We had always made the upper cord of the bridge of the latter, while our rivals' was made of cast-iron.

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This furnished my text. I pictured the result of a steamer striking against the one and against the other. In the case of the wrought-iron cord, it would probably only bend; in the case of the cast-iron it would certainly break and down would come the bridge. One of the directors, the well-known Perry Smith, was fortunately able to enforce my argument, by stating to the board that what I said was undoubtedly the case about cast-iron. The other night he had run his buggy in the dark against a lamp-post which was of cast-iron and the lamp-post had broken to pieces. Am I to be censured if I had little difficulty here in recognizing something akin to the hand of Providence, with Perry Smith the manifest agent?

“Ah gentlemen,” I said, “there is the point. A little more money and you could have had the indestructible wrought-iron and your bridge would stand against any steamboat. We never have built and we never will build a cheap bridge. Ours don’t fall.”

There was a pause; then the president of the bridge company, Mr. Allison, the great Senator, asked if I would excuse them for a few moments. I retired . . .

C l o s i n g a D e a l

[Though Carnegie had benefitted from one stroke of fortune in making his sales pitch, he left nothing to chance afterward.]

. . . Soon they recalled me and offered the contract, provided we took the lower price, which was only a few thousand dollars less. I agreed to the concession. That cast-iron lamp-post so opportunely smashed gave us one of our most profitable contracts and, what is more, obtained for us the reputation of having

taken the Dubuque bridge against all competitors. It also laid the foundation for me of a lifelong, unbroken friendship with one of America's best and most valuable public men, Senator Allison.

The moral of the story lies on the surface. If you want a contract, be on the spot when it is let. A smashed lamp-post or something equally unthought of may secure the prize if the bidder be on hand. And if possible, stay on hand until you can take the written contract home in your pocket. This we did at Dubuque, although it was suggested that we could leave and it would be sent after us to execute. We preferred to remain, being anxious to see more of the charms of Dubuque.

Quality

The president of an important manufacturing work once boasted to me that their men had chased away the first inspector who had ventured to appear among them, and that they had never been troubled with another since. This was said as a matter of sincere congratulations, but I thought to myself: "This concern will never stand the strain of competition; it is bound to fail when hard times come." The result proved the correctness of my belief. The surest foundation of a manufacturing concern is quality. After that, and a long way after, comes cost.

Overachieving

The battle of life is already half won by the young man who is brought personally in contact with high officials; and the great aim of every boy should be to do something beyond the sphere

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of his duties—something which attracts the attention of those over him.



[Carnegie was a telegram delivery boy as a teenager . . .]

Having to sweep out the operating-room in the morning, the boys had an opportunity of practicing upon the telegraph instruments before the operators arrived. This was a new chance. I soon began to play with the key and talk with the boys who were at the other stations who had like purposes to my own. Whenever one learns to do anything he has never to wait long for an opportunity of putting his knowledge to use.

[Carnegie became a hero in the office when he stepped in for a staff telegrapher in an emergency. He was thereupon promoted to the higher-paying job of telegraph operator.]

R e c o g n i t i o n

The world's civilization started from the day on which every one received reward for labor.

P r o f i t S h a r i n g

I never see a fishing fleet set sail without pleasure, thinking this is based upon the form which is probably to prevail generally. Not a man in the boats is paid fixed wages. Each gets his share of the profits. That seems to me the ideal. It would be most interesting if we could compare the results of a fleet so manned and operated with one in which men were paid fixed wages,

but I question whether such a fleet as the latter exists. From my experience, I should say a crew of employees versus a crew of partners would not be in the race.

The great secret of success in business of kinds, and especially in manufacturing, where a small saving in each process means fortune, is a liberal division of profits among the men who help to make them and the wider distribution, the better. There lie latent unsuspected powers in willing men around us which only need appreciation and development to produce surprising results. Money rewards alone will not, however, insure these, for to the most sensitive and ambitious natures there must be the note of sympathy, appreciation, friendship. Genius is sensitive in all its forms and it is unusual, not ordinary, ability that tells even in practical affairs. You must capture and keep the heart of the original and supremely able man before his brain can do its best.

G r o w t h

It may be accepted as an axiom that a manufacturing concern in a growing country like ours begins to decay when it stops extending.

S t o c k M a r k e t T r a d i n g

Speculation is the parasite of business, feeding upon values, creating none.



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Nothing tells in the long run like good judgment, and no sound judgment can remain with the man whose mind is disturbed by the mercurial changes of the Stock Exchange. It places him under an influence akin to intoxication. What is not, he sees, and what he sees, is not. He cannot judge relative values or get the true perspective of things. The molehill seems to him a mountain and the mountain a molehill, and he jumps at conclusions which he should arrive at by reason. His mind is upon the stock quotations and not upon the points that require calm thought.



Dollar making is not necessarily business.

C h a r i t y

I estimate that of every thousand dollars spent in so-called charity, nine hundred and fifty of them had better be thrown into the sea.



Years ago I distributed charity indiscriminately, and in doing so committed perhaps the greatest evil I have committed in my life. Let a multi-millionaire take his millions to the slums and call the people together, saying: "There is a wrong distribution of wealth in the world; you have not got your share; I give to each one of you this share in my millions."

Let that be done in the morning and let the millionaire return at night to see what good his action has done and he will find not happiness but pandemonium. Let him distribute

another million every day for a month, and at the end of that time what ought we say to him? We ought to say, "Go on your knees and crawl for pardon. You have done more harm in a month than you can ever undo in all your life."

[Carnegie believed that support of those who were hopelessly poor and sick was the responsibility of government. Private philanthropy, he believed, should "accrue to those who are yet sound and industrious, and seeking through labor the means of betterment."]

I n c o m e T a x

[In an article he called, "What Would I Do with the Tariff If I Were the Czar," Carnegie explained what he would do about income tax . . . if he were Czar.]

There would be no income tax. I know of no statesman or authority who does not denounce an income tax as the most objectionable of all taxes. Mr. Gladstone once appealed to the country upon this subject alone, denouncing it as tending to make a nation of liars. While it is in theory a just tax, in practice it is the source of such demoralization as renders it perhaps the most pernicious form of taxation which has ever been conceived since human society has settled into peaceful government.

M a n a g e m e n t

[After distinguishing himself through his work at a Pittsburgh telegraph office, Carnegie's first position of responsibility was as

assistant to the superintendent of the Pennsylvania Railroad, Thomas Scott. When Scott was promoted, Carnegie took his place.]

Being a telegrapher, I took charge of our own railroad telegraph wire when it was constructed and I believe that I placed the first young woman telegraph student at work on a railroad; so I see it stated. In those days the Superintendent had to do everything; there was no division of responsibilities. It was supposed that no subordinate could be trusted to run trains by telegraph or attend to a wreck, and Mr. Scott and I, his successor, were two of the most foolish men I have ever known in this respect.

It took me some time to learn, but I did learn that the supremely great managers, such as you have these days, never do any work themselves worth speaking about, their point is to make others work while they think. I applied this lesson in after life, so that business with me has never been a care.

W o r l d C o m m e r c e

[In 1904, Carnegie wrote a humorous playlet in the style of the Greek classics to express his opinion of Great Britain's position as the world's leading economic power—a position that applied increasingly to the United States as well.]

Chorus: . . . To thee the gods have placed under tribute the nations of the earth; none escapes. Rejoice therefore in the rapid advancement of the world, for upon this, thine own undiminished prosperity assuredly depends. Thou must decline if the world prospers not . . .

Socialism

[*“But are you a Socialist?” Carnegie was asked in 1885. He answered as he walked to the train station with a Pittsburgh reporter.*]

I believe socialism is the grandest theory ever presented and I am sure some day it will rule the world. Then we will have obtained the millennium.

[*“You hope that the lion and the lamb will lie down side by side, all things be equal, and that profits will share and share alike,” the reporter asked.*]

That is the state we are drifting into. Then men will be content to work for the general welfare and share their riches with their neighbors.

[*“Are you prepared now to divide your wealth?”*]

No, not at present, but I do not spend much on myself. I give away every year seven or eight times as much as I spend for personal comforts and pleasures. Working people have my full sympathy and I always extend a helping hand. I am a workingman and in my young days worked in a cotton mill and ran an engine. In all my life, I suppose I have done more work than any employe I ever had. . . . I believe in advancing worthy employes and I carry out those ideas on all occasions, as is witnessed by the young men I have gathered about me.

[*Carnegie never was a socialist, nor did he ever do anything with his own business that even leaned in that direction. Yet, as can be seen by his comments above, he tried to connect himself to the workingmen and their concerns, and met the threat of socialism with a much more supple response than the typical business leader of his day.*]

H u m i l i t y

When a multi-millionaire makes money, he should remember the class from which he sprung. I don't recognize any elevation from that of the workingman.

L e a d e r s

It is not the million, it is the individual . . .

Shakespeare tells us that honor passes in a path so narrow that but one goes abreast. So with every advance made by man there is always a leader and then come the millions of the multitude that follow.

W e a l t h

[*Carnegie turned his thoughts on philanthropy into a book, The Gospel of Wealth.*]

The fundamental idea of "The Gospel of Wealth" is that surplus wealth should be considered as a sacred trust to be administered by those into whose hands it falls, during their lives, for the good of the community. It predicts that the day is at hand when he who dies possessed of enormous sums, which were his and free to administer during his life, will die disgraced, and holds that the aim of the millionaire should be to die poor.

B e q u e s t s

I should as soon leave to my son a curse as “the Almighty dollar.”

[—*An autograph, written in a friend’s album. Andrew Carnegie gave over ninety percent of his fortune to charitable causes, and left about \$30 million for his widow and his daughter.*]

D e t a i l s

He is a bold man who calls anything a trifle.

I n t e n s i t y

While statistics say that 95 percent of all young men who enter business fail, this should not discourage any one. Go out with the spirit “sink or swim,” and a person will not sink.

R e p u t a t i o n

The highest title which a man can write upon the page of history is his own name.

